

Alcohol and Tobacco Tax and Trade Bureau, Treasury**§ 41.34**

(i) The package does not bear the declaration “pipe tobacco” in direct conjunction with, parallel to, and in substantially the same conspicuousness of type and background as the brand name each time the brand name appears on the package; or

(ii) The package or accompanying materials bear any representation that would suggest a use other than as pipe tobacco. The term ‘accompanying materials’ includes, but is not limited to, any point of sale advertising or other printed product communications issued by the manufacturer or importer of pipe tobacco products. In addition, the inclusion of cigarette papers or tubes in a package bearing a ‘pipe tobacco’ declaration will suggest a use other than pipe tobacco.

(4) During the period from June 22, 2009, through March 23, 2010, importers may continue to remove products as pipe tobacco in packages that do not bear the declaration “pipe tobacco” in the manner prescribed in paragraph (b)(3)(i) of this section.

(26 U.S.C. 5702 and 5723)

[T.D. TTB-75, 74 FR 14483, Mar. 31, 2009, as amended by T.D. TTB-78, 74 FR 29415, June 22, 2009; T.D. TTB-81, 74 FR 48654, Sept. 24, 2009; T.D. TTB-104, 77 FR 37304, June 21, 2012]

§ 41.31 Cigar tax rates.

(a) Cigars are taxed at the following rates under 26 U.S.C. 5701(a):

Type and amount	Tax rate for removals during the following periods:	
	2002 to March 31, 2009	April 1, 2009 and after
Small cigars per thousand.	\$1.828	\$50.33
Large cigars*		
• percentage of sale price.	20.719%	52.750%
• but not to exceed—	\$48.75 per thousand.	\$0.4026 per cigar.

*For large cigars: Until March 31, 2009, the percentage tax rate applies when the sale price is \$235.294 per thousand or less, and the flat tax rate applies when the sale price is more than \$235.294 per thousand. On and after April 1, 2009, the percentage tax rate applies when the sale price is \$763.222 or less per thousand cigars, and the flat tax rate applies when the sale price is more than \$763.222 per thousand cigars.

(b) See §41.39 of this part for rules concerning determination of sale price of large cigars.

(c) Cigars not exempt from tax under 26 U.S.C. chapter 52 and the provisions of this part which are removed but not intended for sale shall be taxed at the

same rate as similar cigars removed for sale.

[T.D. ATF-420, 64 FR 71942, Dec. 22, 1999. Re-designated and amended by T.D. TTB-16, 69 FR 52424, 52425, Aug. 26, 2004; T.D. TTB-75, 74 FR 14484, Mar. 31, 2009]

§ 41.32 Cigarette tax rates.

Cigarettes are taxed at the following rates under 26 U.S.C. 5701(b):

Product	Tax rate per thousand for removals during the following periods:	
	2002 to March 31, 2009	April 1, 2009 and after
Small cigarettes	\$19.50	\$50.33
Large cigarettes up to 6½" long.	\$40.95	\$105.69
Large cigarettes over 6½" long.	Taxed at the rate for small cigarettes, counting each 2¾ or fraction thereof of the length of each as one cigarette.	

[T.D. TTB-75, 74 FR 14484, Mar. 31, 2009]

§ 41.33 Smokeless tobacco tax rates.

Smokeless tobacco products are taxed at the following rates under 26 U.S.C. 5701(e):

Product	Tax rate per pound* for removals during the following periods:	
	2002 to March 31, 2009	April 1, 2009 and after
Snuff	\$0.585	\$1.51
Chewing tobacco	\$0.195	\$0.5033

* Prorate tax for fractions of a pound.

[T.D. TTB-75, 74 FR 14484, Mar. 31, 2009]

§ 41.34 Cigarette papers.

Cigarette papers are taxed at the following rates under 26 U.S.C. 5701(c):

Product	Tax rate for each 50 papers* for removals during the following periods:	
	2002 to March 31, 2009	April 1, 2009 and after
Cigarette papers up to 6½ long.	\$0.0122	\$0.0315
Cigarette papers over 6½" long.	Use rates above, but count each 2¾" or fraction thereof of the length of each as one cigarette paper.	

*Tax rate for less than 50 papers is the same. The tax is not prorated.

[T.D. TTB-75, 74 FR 14484, Mar. 31, 2009]